

30 Year Fixed 3.58% +0.00	15 Year Fixed 2.91% +0.00	10YR Treasury 1.88% -0.0103	FNMA 30YR 3.5 105.77 +0.11	FNMA 15YR 2.5 105.25 +0.09	View Today's Rates
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For Immediate Release

Mortgage Rates Level Off and Push Back After Italian Election

February 28, 2013

Market Summary

After hitting **7-month highs** in the previous week, **mortgage rates** snapped back on Monday, **moving lower** at their fastest pace in more than 3 weeks. While this wasn't enough to change the prevailing interest rates themselves, the **borrowing costs** associated with those rates moved from the higher end of their spectrum to the lower end. For an ideal scenario, 3.625% remains the most efficient combination of payment and cost at most lenders.

Matthew Graham, Rates Strategist At Mortgage News Daily credits **European events** with Monday's bounce, but says "it would be much nicer for the longer term rates outlook if we didn't have to rely on sensational European headlines in order to push back against recently higher rates. A few things are happening here. Clearly, the Italian election stalemate conjured up memories the last 2 similarly fruitless election attempts in Italy and Greece in late 2011 and mid 2012 respectively. These were two of the **biggest motivations for low rates** over the past 2 years as they caused investors to pile into the safest investments such as Treasuries, which in turn help pull mortgage rates lower, even if not as quickly."

"The problem is that Italian political turmoil isn't a long term fix for the problem of **rising interest rates**," explains Graham. "The days of 3.25% being the sustainable average 30yr rate were driven by lingering doubts that the EU could avoid collapse as well as a Fed asset buying policy that was steady and possibly expanding as opposed to steady and looking forward to contracting. The Fed's still buying and things are still bad in Europe, but the outlook for both of these things has been changing. **Next week's jobs report** and uncertainty surrounding **sequestration** could help keep rates contained, but

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Issued Wednesday AM, this weekly report is the most comprehensive and accurate of it's kind. It includes:

- This Week's Market Analysis
- Real-time Mortgage Rates
- The Complete Week in Review
- Charts for the 15 and 30 Year FRM

If you have suggestions, questions or would like to **schedule an interview** with one of our market analysts please [contact us here](#).

Today's Average Rates

Best Execution	Rate	Change
30 Yr FRM	3.58%	+0.00
15 Yr FRM	2.91%	+0.00
FHA 30 Year Fixed	3.31%	+0.00
Jumbo 30 Year Fixed	3.76%	-0.01
5/1 Yr ARM	3.01%	+0.01

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National Averages

	Rate	Points	Change
FHFA *			
15 Yr. Fixed	2.78%	0.76	+0.08
30 Yr. Fixed	3.53%	1.11	+0.06
MBA **			
30 Yr. Fixed	3.77%	0.48	-0.01
15 Yr. Fixed	3.03%	0.34	+0.00
30 Yr. Jumbo	3.93%	0.37	-0.01
30 Yr. FHA	3.54%	0.41	+0.00
5/1 ARM	2.65%	0.36	-0.01
Freddie Mac **			

much like last week, without those negative headline surprises, there's less motivation to move back down to 2012 rates than there is to stay here or move gently higher."

Real-time Average Rates

Rate Product	Current	1 Week Change	1 Year Change
30 Yr FRM	3.58%	-0.04%	-0.31%
15 Yr FRM	2.91%	-0.03%	-0.33%
FHA 30 Year Fixed	3.31%	-0.03%	-0.44%
Jumbo 30 Year Fixed	3.76%	-0.05%	-0.37%
5/1 Yr ARM	3.01%	-0.01%	+0.01%

Rates as of: Thursday, February 28, 2013

Week in Review

* Rates shown based on 30 Year Fixed Rate Mortgage

Thursday, February 21, 2013 : 3.62% (-0.02%)

Mortgage rates fell slightly today, pulling back in line with recent offerings after rising to their highest levels in 7 months yesterday. Today's improvements can be traced partly to overnight market movements in Europe. This helped US trading begin the day in a positive tone for rates markets and the morning's economic reports generally continued in that vein. Trading levels in the secondary mortgage market remained steady most of the day and despite a few lenders raising costs slightly at the end of the day, most offered slightly lower costs for the prevailing 3.625% Best-Execution level.

More detail: "[Mortgage Rates Bounce Back Moderately From Recent Highs](#)"

Friday, February 22, 2013 : 3.63% (+0.01%)

Mortgage rates were slightly higher today, despite moderate improvements in underlying bond markets. This is primarily due to fairly pronounced weakness late in the day yesterday combined with the fact that bond markets opened in even weaker territory before improving to modestly positive levels. Beyond those timing considerations, the gains were simply quite small in the first place. Some lenders offered improved

30 Yr. Fixed	3.51%	0.80	-0.05
15 Yr. Fixed	2.76%	0.80	-0.01
1 Yr. ARM	2.64%	0.40	-0.01
5/1 Yr. ARM	2.61%	0.60	-0.03

View [National Averages](#)

* FHFA averages are updated monthly.
** Mortgage Bankers Association (each Wednesday) and Freddie Mac (each Thursday) averages are updated weekly.

Secondary Markets

MBS	Price	Change
30YR FNMA 3.0	103.55	+0.14
30YR FNMA 3.5	105.77	+0.11
30YR GNMA 3.0	104.83	+0.17
30YR GNMA 3.5	107.78	+0.09
15YR FNMA 3.0	105.25	+0.09
15YR FNMA 2.5	103.83	+0.13

Treasuries	Yield	Change
2 YR	0.2422%	-0.0039
5 YR	0.7676%	-0.0095
10 YR	1.8842%	-0.0103
30 YR	3.0944%	+0.0000

Prices as of: 2/28/2013 4:31PM EST

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rate sheets as market levels crept back into positive territory but on average, borrowing costs are slightly higher than yesterday for the prevailing 3.625% Best-Execution rate for 30yr Fixed, Conventional loans, though not quite as high as they were on the 2/13.

More detail: ["Mortgage Rates Finish The Week Near Recent Highs"](#)

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Commentary

- [Mortgage Rate Watch](#)
- [MBS Commentary](#)

Monday, February 25, 2013 : 3.59% (-0.04%)

Mortgage rates moved lower today by the widest margin in over three weeks. The faster-paced movement is courtesy of political tensions in Italy surrounding the country's elections over the past two days. Markets had expected a Bersani victory, which would be as close to a status quo as possible and seen as best for European stability. Instead, Berlusconi may have won control of at least half of the Italian parliament. Markets perceive this as a negative development for EU stability, and such negative developments were among the key contributors to all-time low interest rates in 2012.

Mortgage rates themselves, are several degrees removed from the sections of the market that most directly benefit from such "flights-to-safety," but they've nonetheless managed to far outpace any recent attempts to bounce back from the broader trend higher. Best-Execution for 30yr Fixed, Conventional loans is still hanging on to 3.625%, but borrowing costs for prevailing rates have fallen appreciably since Friday and many lenders are still in the process of adjusting rate sheets.

More detail: ["Mortgage Rates Drop At Fastest Pace In Three Weeks After Italian Elections"](#)

Tuesday, February 26, 2013 : 3.57% (-0.02%)

Mortgage rates moved lower today, extending their rally following yesterday's Italian election news. The situation in Italy continued to represent an unknown when trading got underway in the US and combined with Fed Chairman Bernanke offering no surprises, rates markets held their ground despite stronger economic data. This brings most lenders to their best rate/fee combinations since February 7th while others are now at their best levels in just over a month. In most cases, the Best-Execution rate remains at 3.625%, but 3.5% is as close as it has been in several weeks, and most lenders can offer reasonable trade-offs to move lower in rate (higher costs or decreased lender credit).

More detail: ["Mortgage Rates Lowest In More Than Two Weeks"](#)

Wednesday, February 27, 2013 : 3.58% (+0.01%)

Mortgage rates are unchanged to slightly higher, after beginning the day in slightly better territory vs yesterday and weakening in to the afternoon hours. As is occasionally the case, interest rates took cues from equities markets and the European

currency. Both of these advanced, especially in the afternoon, pulling domestic interest rates up with them, which resulted in deterioration for the secondary mortgage market and ultimately widespread revisions to morning rate sheets. Best-execution for 30yr Fixed, Conventional Loans remains at 3.625% with recent improvements leaving 3.5% closer than 3.75% for most lenders.

More detail: ["Mortgage Rates Start Strong, But Move Higher In Afternoon"](#)

Thursday, February 28, 2013 : 3.58% (+0.00%)

Mortgage rates are even more sharply unchanged today than they were yesterday, which at least saw some consensus toward strength in the morning and weakness in the afternoon. In contrast, today's movements in the secondary mortgage market were completely flat (relative to their average range of motion). This left nearly all lenders at liberty to put out one rate sheet in the morning and call it a day. As such, 3.625% best-execution is unchanged, as are the average costs associated with that rate. As has been the case, adjacent rates at 3.5 and 3.75 may be competitive depending on your scenario.

More detail: ["Mortgage Rates Aggressively Flat To End The Month"](#)

30 Year Fixed Rate Mortgage



15 Year Fixed Rate Mortgage



About Our Rate Survey

Unlike many rate surveys, our survey is conducted on a daily basis and is designed to bring you the **most current and accurate** rate data available. We use a **proprietary formula** to calculate averages based on **best-execution rates** from top lender's rate sheets, also taking into account feedback from hundreds of mortgage market professionals around the country.

This [weekly press release](#) summarizes all information and analysis issued by Mortgage News Daily this week including a market summary, current mortgage rates, charts, the week in review, etc.

Additional Information

If you need more information our experts are happy to answer questions or provide additional market perspective. [Contact our press team.](#)

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Brown House Media Inc. - 19706 One Norman Blvd - Cornelius, NC 28031